STAND. COM. REP. NO. 456

Honolulu, Hawaii

FEB 1 9 2021

RE: S.B. No. 666 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred S.B. No. 666 entitled:

"A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Establish the Conservation Workforce Special Fund with the explicit commitment of funding a Conservation Workforce and advancing the Aloha+ Challenge Natural Resource Management Targets;
- (2) Form a public-private Conservation Advisory Committee focused on designing the management and governance structure and funding criteria that safeguards the special funds' fidelity towards conservation; and
- (3) Establish a ten-year pilot visitor green fee to go into effect July 1, 2021.

Your Committee received testimony in support of this measure from Hawaii Government Employees Association, Ulupono Initiative, Pono Hawai'i Initiative, Surfrider Foundation, Imua Alliance, and forty-four individuals. Your Committee received testimony in opposition to this measure from Hawai'i Lodging and Tourism Association and Kohala Coast Association. Your Committee received

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comments on this measure from the Department of Land and Natural Resources, Office of Planning, Department of Budget and Finance, Department of Taxation, Chamber of Commerce Hawaii, Tax Foundation of Hawaii, and Hawai'i Tourism Authority.

Your Committee finds that each year, Hawaii's reefs, oceans, beaches, and forests provide billions of dollars in value to the state economy, supporting the well-being of our resident community and visitors alike, which are vital to the tourism industry and the local community's cultural identity.

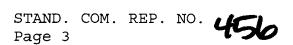
Your Committee believes that the coronavirus disease 2019 (COVID-19) pandemic provides the State with an opportunity to build back the tourism sector more sustainably and this measure creates sustainable and comprehensive funding for green job growth beyond initial federal stimulus relief and provides various economic and environmental benefits to the State.

Your Committee also recognizes that due to the COVID-19 pandemic, the tourism industry has been disproportionately impacted and the timing of this measure may place a burden on an industry that so many people depend on for their livelihoods. There are also administrative concerns with tracking an annual green fee to visitors and whether it would apply to state residents.

Accordingly, to address these concerns, your Committee has amended this measure by:

- Reducing the green fee surcharge on transient accommodations charged to visitors and residents from \$40 dollars per visit to \$20 dollars per visit;
- (2) Requiring that the assessment and collection of the \$20 green fee surcharge is contingent upon the total number of visitor arrivals reaching a threshold level of five million visitors or more during the preceding calendar year, based on statistics from the Hawai'i Tourism Authority; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 666, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Energy, Economic Development, and Tourism,

GLENN WAKAI Chair



The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Energy, Economic Development, and Tourism EET

| Bill / Resolution No.:* Committee Referral: Date: | | | | | | | |
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| SB666 EET, WAM 2/17/21 | | | | | | | |
| The Committee is reconsidering its previous decision on this measure. | | | | | | | |
| If so, then the previous decision was to: | | | | | | | |
| The Recommendation is: | | | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused | | |
| WAKAI, Glenn (C) | | | | | | | |
| MISALUCHA, Bennette E. (V | (C) | | | | | | |
| LEE, Chris | | | | | | | |
| RIVIERE, GII | | · | | | | | |
| FEVELLA, Kurt | | | | | | | |
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| TOTAL | | 2 | | 1 | 2 | | |
| Recommendation: | | | | | | | |
| Adopted Not Adopted | | | | | | | |
| Chair's or Designee's Signature: | | | | | | | |
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| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | | | |
| File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | | | |

*Only one measure per Record of Votes